



13.

To: Toronto Public Library Board – May 10, 2004

From: City Librarian

Subject: **2004 Operating Budget**

Purpose:

To adopt the Toronto Public Library 2004 operating budget as approved by City of Toronto Council.

Funding Implications and Impact Statement:

The 2004 operating budget, as approved by City Council at its meeting on April 19-27, 2004, reflects gross expenditure of \$144.026 million and revenues of \$14.706 million, resulting in a net budget of \$129.320 million.

The proposed additional three percent GST rebate, which is expected to be effective in February 2004, would result in a decrease of approximately \$0.650 million to the operating budget.

Recommendation:

It is recommended that the Toronto Public Library Board adopt the *2004 Operating Budget* as approved by City Council at its meeting on April 19-27, 2004, which reflects gross expenditure of \$144.026 million and revenues of \$14.706 million, resulting in a net budget of \$129.320 million comprised of:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Library Administration	4,872.3	4,597.3
Library Services	<u>139,153.4</u>	<u>124,722.4</u>
Total	<u>144,025.7</u>	<u>129,319.7</u>

Background:

S24(1) of the *Public Libraries Act* states:

“A public library board.... shall submit to the appointing council, annually on or before the date and in the form specified by the council, estimates of all sums required during the year for the purposes of the board.”

S24(2) of the *Public Libraries Act* states:

“The amount of the board's estimates that is approved or amended and approved by the council shall be adopted by the board and shall be paid to the board out of the money appropriated for it.”

This report adopts the Council approved operating budget.

Comments:

At its meeting of October 20, 2003, the Board received and approved the Library's 2004 operating budget submission at \$131.967 million net, which represents a \$10.200 million or 8.4 percent increase (see Attachment 1). The 2004 operating budget submission underwent a series of reviews and approvals, and the resulting recommended budgets are summarized on Attachment 1:

- Chief Administrative Officer (CAO) and Chief Financial Officer (CFO) meeting on October 9, 2003, resulting in a recommended net budget of \$128.690 million or 5.7 percent increase.
- Executive Management Team (EMT) made no changes to the CAO/CFO recommended budget of \$128.690 million or 5.7 percent increase. However, an additional reduction target was given to Agencies, Boards and Commissions (ABC) amounting to \$0.583 million for TPL, for a total reduction of \$3.860 million, or an ABC target budget of \$128.107 million (5.2 percent increase).
- At its meeting on February 16, 2004, the Library Board adopted \$2.171 million of reductions, resulting in a budget of \$129.796 million or 6.6 percent increase.
- At its meeting on March 11, 2004, Budget Advisory Committee (BAC) recommended a budget of \$129.320 million or 6.2 percent, which included the Library Board's \$2.171 million of reductions, but did not include the Board's recommendation to decrease gapping by a further \$0.476 million to a target of 2.6 percent.
- At the Policy and Finance (P&F) meeting on April 13, 2004, no change was made to the BAC recommended budget.
- At its meeting on April 19-27, 2004, City Council approved the P&F Recommended Budget of \$144.026 million gross and \$129.320 net, a 6.2 percent increase, for the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Library Administration	4,872.3	4,597.3
Library Services	<u>139,153.4</u>	<u>124,722.4</u>
Total	<u>144,025.7</u>	<u>129,319.7</u>

Highlights of the approved 2004 Operating Budget are listed below:

Base Increase:

- \$6.062 million increase in staffing costs, including COLA and benefits, and a decrease in gapping from 3.6 percent to 3 percent;
- operating costs related to the opening of a new branch, St. James Town, and the re-opening of expanded Malvern and McGregor branches.

One-Time Alternatively Funded:

- \$0.601 million economic increase for Library collections (approximately 21,500 new items), funded from development charge reserves in 2004;
- \$0.800 million for sick leave liability costs, funded from a City Reserve in 2004;
- \$0.300 million for the Technology Asset Management Program, funded by a one-time Federal Grant in 2004.

Service Reductions:

- Standardize latest close times in four branches, removing eight hours of service per week. The branches impacted are Albion District Branch, Richview District Branch, Brentwood District Branch, and Eatonville Branch, all losing two hours of service per week;
- \$0.200 million reduction to maintenance spending;
- \$0.200 million reduced funding for the Technology Asset Management Program.

As instructed by the City, the 2004 approved budget does not include any costs associated with harmonization of wage rates or job classifications.

Conclusion:

The total net budget increase of \$7.553 million or 6.2 percent over the 2003 operating budget will enable TPL to address the collection needs relating to population growth and increased use, upgrade existing information systems, and assist the Library in achieving its goals, objectives and budget priorities.

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City Librarian

List of Attachments:

Attachment 1 – Toronto Public Library – 2004 Operating Budget Approval